



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

June 17, 2014

TO: The Honorable James D. Williams, Chairperson
Board of Education, Human Resource Committee

FROM: Kathryn S. Matayoshi, Superintendent

SUBJECT: **Discussion/Committee Action on Substitute Teacher Salary Adjustments**

1. RECOMMENDATION

It is recommended that the substitute teachers' daily per diem rate be increased 3.2% comparable to the across-the-board wage adjustments for teachers that were negotiated for bargaining unit 05.

2. RECOMMENDED EFFECTIVE DATE

Upon approval by the Board of Education, the rate adjustments will be effective for upcoming school year (SY) 2014-2015 and for SY 2016-2017 as the teacher contract executed as of April 13, 2013 allows the teachers to receive across-the-board wage adjustments of 3.2% for these specific school years.

3. RECOMMENDED COMPLIANCE DATE

Upon approval by the Board of Education.

4. DISCUSSION

a. Conditions leading to the recommendation

The Hawaii Revised Statutes (HRS) 302A-624 (f), Teachers' Salary Schedule, states, "Effective July 1, 2008, the Board of Education (Board) shall provide wage adjustments for substitute teachers. The wage adjustments shall be comparable to the across-the-board wage adjustments for teachers that are negotiated for bargaining unit (5) subject to legislative approval, pursuant to section 89C-5."

Teacher Negotiated Salary

The teacher contract was executed as of April 13, 2013 allowing teachers to have a step movement and salary wage adjustment increase as indicated in the chart below.

School Year	Type of Increase
2013-2014	one higher step movement
2014-2015	across-the-board wage adjustment increase of 3.2%
2015-2016	one higher step movement
2016-2017	across-the-board wage adjustment increase of 3.2%

- b. Previous action of the Board on the same or similar matter
None. Although the substitute teacher daily per diem rates are not directly tied to the teacher salary, HRS 302A-624A (f) obligates the Board "to provide wage adjustments for substitute teachers comparable to the across-the-board wage adjustments for teachers that are negotiated for bargaining unit (5)."
- c. Other policies affected
None.
- d. Arguments in support of the recommendation
Substitute teachers' last pay adjustment was January 13, 2009.
- e. Arguments against the recommendation
None.
- f. Findings and conclusion of the Board committee
None.
- g. Other agencies or departments of the State of Hawaii involved in the action
None.
- h. Possible reaction of the public, professional organizations, unions, DOE staff and/or others to the recommendations
The reaction to the recommendations is expected to be very favorable.
- i. Education implications
None.
- j. Personnel implications
May increase the substitute teacher pool.
- k. Facilities implications
None.
- l. Financial implications
Substitute Teacher Cost Review
The chart below shows the last three years of substitute teacher costs. The SY 2011-2012 showed a marked low cost because teachers were furloughed. For SY 2013-2014, the total substitute teacher cost is as of June 6, 2014 and a final

cost cannot be determined until after June 30, 2014, as multi-track schools are still in session. Thus, in reviewing an overall cost, the additional amount to be reserved from Impact Aid funds is approximately \$950,000 which is necessary for **each** SY 2014-2015 and SY 2016-2017 should the substitute teachers be approved by the Board for an equivalent daily per diem rate increase of 3.2%. Substitute teachers' last pay adjustment was January 13, 2009 showing an increase of 3.846% over the July 1, 2008 daily per diem rate.

School Year	Total Substitute Teachers	Total Substitute Teacher Costs	Estimated 3.2%
2011-2012	4,698	\$18,122,153	\$580,000
2012-2013	4,981	\$30,939,996	\$990,000
2013-2014	4,759	\$27,446,586	\$878,000

Projected Substitute Teacher Daily Per Diem Rates

The chart below shows the increase adjustment rates should the Board grant an equivalent percentage of the 3.2% increase that were negotiated for the teachers across-the-board for SY 2014-2015 and SY 2016-2017. Rate increases would be effective July 1, 2014 for the upcoming school year and for July 1, 2016.

Substitute Teachers	SY 2012-2013 & SY 2013-2014	SY 2014-2015 & SY 2015-2016	SY 2016-2017
Class I	\$135.20	\$139.53	\$143.99
Class II	\$147.10	\$151.81	\$156.67
Class III	\$159.00	\$164.09	\$169.34

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

KSM:JM:sk

c: Office of Human Resources